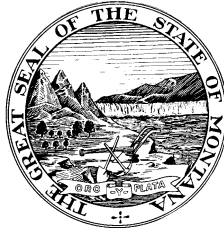


PUBLIC SERVICE COMMISSION STATE OF MONTANA

**Bill Gallagher, Chairman
Bob Lake, Vice Chairman
Kirk Bushman, Commissioner
Travis Kavulla, Commissioner
Roger Koopman, Commissioner**



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March 11, 2013

Mr. Robert Nelson
Montana Consumer Counsel
111 North Last Chance Gulch
Suite 1B
Helena, MT 59601

RE: Data Request in Docket D2012.9.100

Dear Mr. Nelson

Enclosed please find Montana Public Service Commission data request PSC-148 through PSC-156 to Montana Consumer Counsel regarding the application and supporting testimonies in the above-referenced docket. If you have any questions, please contact me at (406) 444-6185.

Thank you for your cooperation in this matter.

Sincerely,

Mike Dalton
Rate Analyst
Montana Public Service Commission

Enclosure

cc: Service list

Service Date: March 11, 2013

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

IN THE MATTER OF the Application of) REGULATORY DIVISION
Montana-Dakota Utilities Co. for Authority to)
Establish Increased Rates for Natural Gas) DOCKET NO. D2012.9.100
Service in the State of Montana)

**MONTANA PUBLIC SERVICE COMMISSION DATA REQUEST PSC-148 THROUGH
PSC-156 TO MONTANA CONSUMER COUNSEL**

PSC-148

Regarding: Electronic copies of all Exhibits and Workpapers
Witness: Various

- a. Please provide working electronic copies of all Exhibits and Workpapers with all supporting files and links intact.
- b. Within the electronic copy of Exhibit__ (GLD-1), please highlight all line items which differ from MDU's ECOS study contained in Statement L.

PSC-149

Regarding: Natural gas supply resources
Witness: Donkin

- a. You testified "marginal cost studies may be relevant for assigning gas supply cost". (P.6) In your opinion, should marginal cost studies play a role in allocating the cost of utility-owned resources which provide natural gas supply, such as the Billings Landfill Project? Why or why not?
- b. If the answer to part (a) is yes, please explain to what extent you believe a marginal cost study should be used to allocate the costs of an acquired natural gas supply resource.
- c. The future output (and therefore average cost) of the Billings Landfill Project cannot be known. Should any of the costs of a utility-owned natural gas supply resource with variable output such as the Billings Landfill Project be integrated into the gas supply tracker? Please explain.

PSC-150

Regarding: Allocation method and rate design
Witness: Donkin

- a. Do any of your cost allocation or rate design methods proposed in this Docket diverge from the methodologies approved by the Commission in Order No. 7132c in Docket No. D2010.9.90?
- b. If the answer to part (a) is yes, please explain how your proposed allocation and rate design methods in this Docket differ from those approved in Order No. 7132c in Docket No. D2010.9.90.
- c. If the answer to part (a) is yes, please explain why the Commission should accept your proposed methodologies in this Docket which differ from those approved in Order 7132c.

PSC-151

Regarding: Allocation of service lines, meters
Witness: Donkin

- a. Would you agree that meter cost tends to increase with the capacity of the meter, and therefore weighting allocation factor 10 with average meter costs by class implies that allocation factor 10 classifies some portion of meter costs capacity-related? If not, please explain.
- b. In your experience, is it common practice to directly assign the cost of services and meters to each customer class?
- c. In your experience, is it common practice to use the same allocation factor for both services and meters?
- d. You testified that “many of the costs of gas pipelines do not vary much, if at all, in relation to alternative pipe size distinctions”. (P. 20) Do you believe this statement to be true when applied to the cost of installing a service line? If so, does this contradict the assertion that a significant portion of service line costs should be classified capacity-related?
- e. Would MCC support an allocation factor for service line costs based on the total distance of service lines installed for a particular customer class? Please explain why or why not.

PSC-152

Regarding: Allocation of service lines, meters
Witness: Donkin

- a. Can you provide a theoretical basis for the equal weights applied to customer numbers and design day volumes in the allocation of services and meters? If so, please describe this basis in detail.
- b. Are you aware of any other cases in which services and meter costs were classified as 50% customer-related and 50% capacity-related? If so, please provide the docket number and jurisdiction of the case.

PSC-153

Regarding: Allocation of mains

Witness: Donkin

- a. Please list every state regulatory commission of which you are aware that has established regulatory precedent employing your proposed method of allocating distribution mains on the basis of 50% design day and 50% annual dkt volumes.
- b. For each jurisdiction in part (a) above, provide the docket number and, if possible, a copy of the Order adopting this recommended method.

PSC-154

Regarding: Natural gas supply

Witness: Donkin

- a. Do you accept MDU's analysis of the long-run marginal cost of gas supply?
- b. If the answer to part (a) is no, please provide your analysis of the long-run marginal cost of gas supply relative to MDU, including any natural gas forecasts you believe to be relevant.

PSC-155

Regarding: A&G expenses

Witness: Donkin

- a. If you were to substitute Aberle's proposed allocation of A&G expenses into your own cost allocation proposal, would any of your recommendations change?
- b. Did you consider allocating each account within MDU's A&G expenses to a particular cost function, as opposed to allocating all A&G expenses as a whole? Why do you believe your approach is preferable to allocating each A&G account individually?

PSC-156

Regarding: Rate design

Witness: Donkin

- a. On P. 33 of your testimony, you seem to argue that the residential basic service charge should not be increased because the current basic service charge is already in excess of the per customer average monthly customer-related O&M expenses. Is that correct? If so, are you arguing that the only expense which should be recovered in the fixed basic service charge is the customer-related O&M expense? If not, please explain.
- b. If the answer to part (a) is yes, can you provide any cases or past Orders in any jurisdiction where this type of approach has been applied? If so please provide this information.
- c. In general, would you support an equi-proportional adjustment to the rate elements for each customer class equal to the change in the respective class' revenue requirement? If not, please explain.
- d. Do you oppose an increase in the basic service charge for all customer classes, or only the residential class? Please explain.
- e. Do you have any specific recommendations for the rate design of customer classes other than the residential class which are not included in your testimony? If so, please explain.